

Before the  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Competitive Product Prices  
First-Class Package  
First-Class Package Service Contract 34

Docket No. MC2013-24

Competitive Product Prices  
First-Class Package Service Contract 34  
(MC2013-24)  
Negotiated Service Agreement

Docket No. CP2013-32

PUBLIC REPRESENTATIVE COMMENTS

(December 26, 2012)

The Public Representative hereby provides comments pursuant to Order No. 1586.<sup>1</sup> In that Order, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on the Postal Service's Request to add First Class Package Service Contract 34 to the competitive products list within the Mail Classification Schedule.

**Discussion**

The Public Representative has reviewed the Postal Service's Request Attachments and reviewed the supporting financial models filed under seal in the instant dockets. Based upon that review, the Public Representative concludes that the First-Class Package Service Contract 34 is expected to satisfy the requirements of section 3633(a) concerning rates for competitive products.

The Postal Services demonstrates that the rates in the First-Class Package Service Contract 34 are expected to conform with to 39 U.S.C 3633(a). First-Class Package Service Contract 34 is expected to cover its attributable costs and make a

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<sup>1</sup> PRC Order No. 1586, Notice and Order Concerning the Addition of First-Class Package Service Contract 34 to the Competitive Product List

positive contribution toward to covering institutional costs. The Postal Service also contends that there will not be cross product subsidization by market dominant products. Additionally, the First-Class Package Service Contract 34 fulfills the quarterly reporting required in the Governor's Decision No. 11-6.

The Public Representative is concerned with the Postal Service's decision to exempt the NSA partner from DMM 433.1.5.b. This exception eliminates the customer's requirement to apply intelligent mail barcodes (IMb) to packages. First-Class Package Service Contract 34 does not provide reasoning for the exemption. The length of the contract also delays the NSA Partner's implementation of IMb for the next three years. The Postal Service should consider shorter contract terms for NSA Partner contracts that include an exemption from DM 433.1.5.b in order for the Postal Service and NSA Partner to evaluate whether the NSA Partner will be able to meet the requirements of IMb in future years. The Public Representative encourages the Postal Service to be more consistent in requiring compliance with DM 433.1.5.b when contracting with mailers. As the Postal Service has exempted individual mailers previously, the Public Representative would like to see the IMb system more thoroughly encouraged.

### **Conclusion**

The pricing in the present First-Class Package Service Contract 34 appears to comply with relevant provision of Title 39. The Public Representatives respectfully submits the aforementioned comments for the Commission's consideration.

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Public Representative  
For Docket Nos.  
MC2013-24 and CP2013-32

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